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*Proposed Counsel to the Debtors  
and Debtors in Possession*

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

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In re:

COTTONWOOD FINANCIAL LTD., *et al.*,<sup>1</sup>

Debtors.

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Chapter 11

Case No. 24-80035 (SWE)

(Joint Administration Requested)

**NOTICE OF FILING OF FIRST DAY HEARING DEMONSTRATIVE**

**PLEASE TAKE NOTICE** that attached to this Notice as **Exhibit A** is a demonstrative for the first day matters scheduled for hearing on February 29, 2024 at 9:00 A.M. Central Time (the “First Day Hearing Demonstrative”).

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<sup>1</sup> The Debtors in these chapter 11 cases and the last four digits of each Debtors’ federal tax identification number are as follows: Cottonwood Financial Ltd. (1001); Cottonwood Financial Administrative Services, LLC (7228); Cottonwood Financial Texas, LLC (9059); Cottonwood Financial Idaho, LLC (5651); Cottonwood Financial Wisconsin, LLC (7075). The Debtors’ principal offices are located at 2100 W Walnut Hill Lane, Suite 300, Irving, TX 75038.

Respectfully submitted this 28th day of February, 2024.

**GRAY REED**

By: /s/ Lydia R. Webb

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**Certificate of Service**

I certify that on February 28, 2024, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Northern District of Texas.

/s/ Lydia R. Webb

Lydia R. Webb

**Exhibit A**

**First Day Hearing Demonstrative**



GRAY REED®

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In re Cottonwood Financial Ltd., *et al.*

The Honorable Scott W. Everett

Case No. 24-80035

February 29, 2024

## DEBTORS' PROPOSED ADVISORS





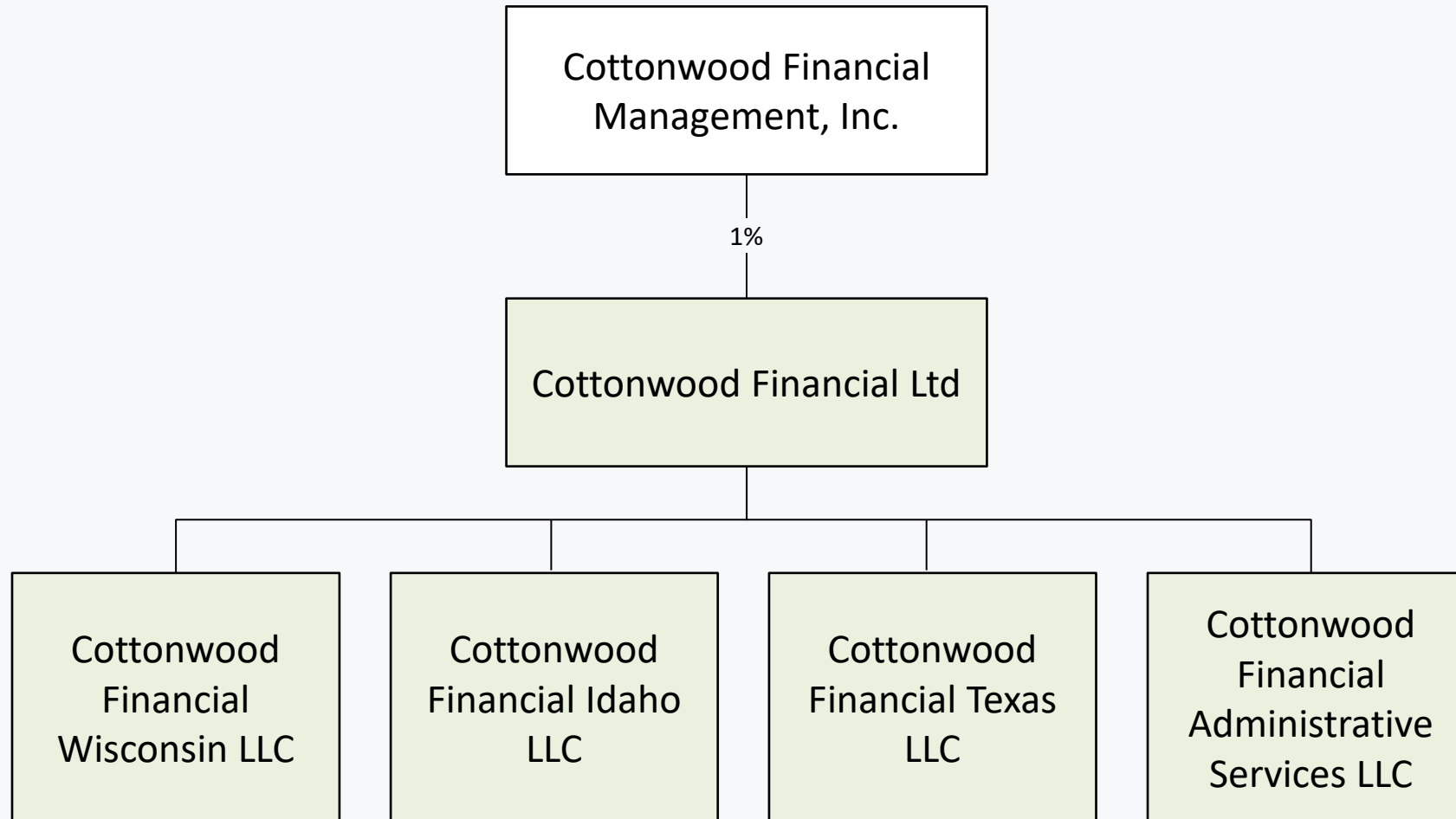
# CASH STORE

## CASH & TITLE LOANS

## COMPANY OVERVIEW



# CORPORATE STRUCTURE



# CASH STORE®



Installment Loan



Cash Advance



Title Loan



Auto Equity Loans



## HOW DO THE DEBTORS' CUSTOMERS OBTAIN LOANS?



Step 1 – Start your application online and save time using our short, secure form.



Step 2 – Gather the required documents and bring them with you to a Cash Store location.



Step 3 – Pick up your cash the very same day – no overnight wait!\*

## IDAHO & WISCONSIN

Cottonwood is the lender and makes and services loans directly to consumer.

**CASH STORE®**



Borrower



## TEXAS

- In Texas, Cottonwood operates as a CSO and CAB under chapter 393 of the Texas Finance Code.
- TreeMac Funding Group, LLC is the exclusive third-party lender pursuant to the parties' Brokering and Servicing Agreement.

## SERVICES PROVIDED BY CSO TO CONSUMER

**Borrower:** “Can you make me a loan?”

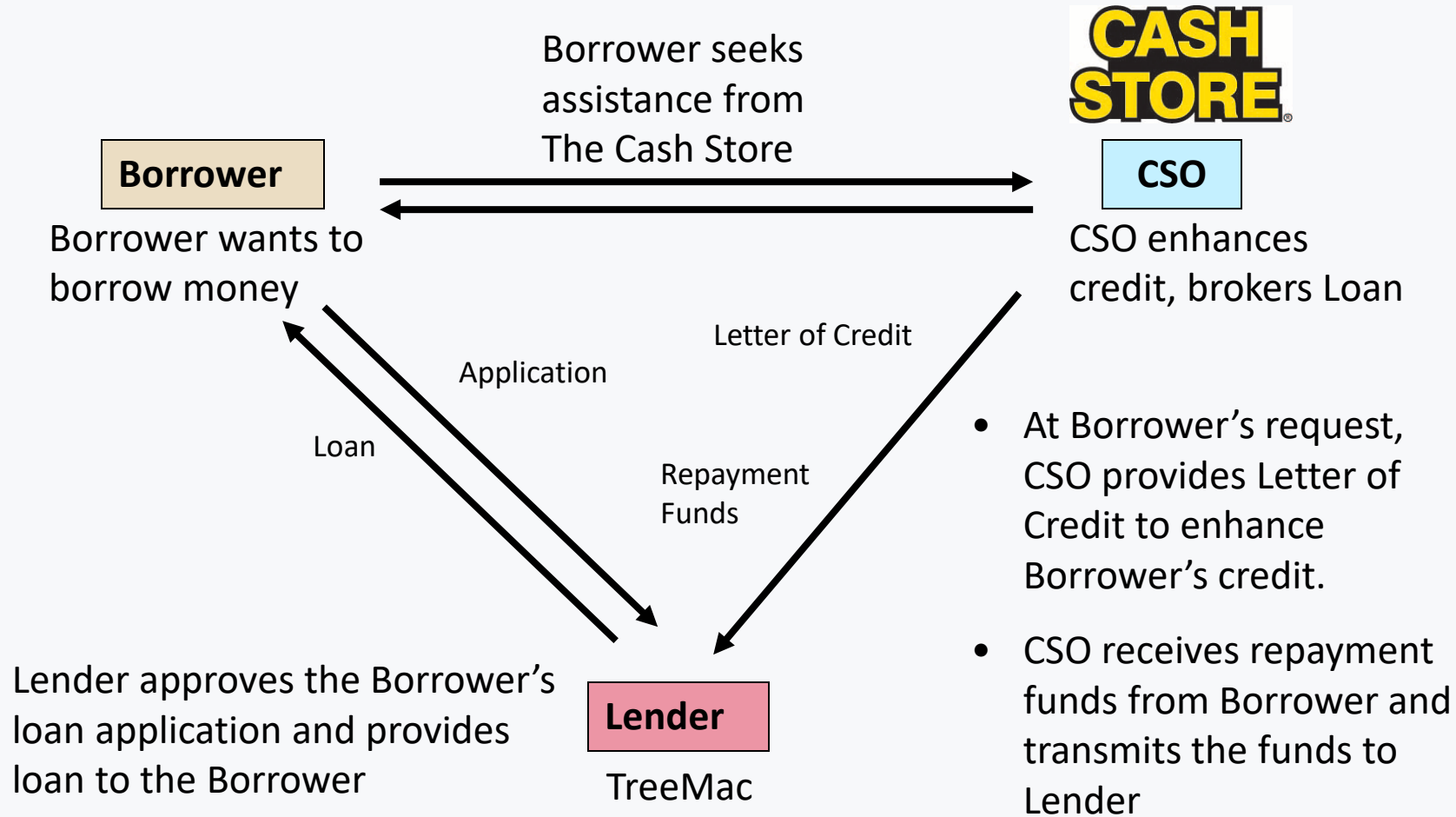
**The Cash Store:** “We can help arrange a loan for you, but we are not a lender.”

**Borrower:** “What services do you provide?”

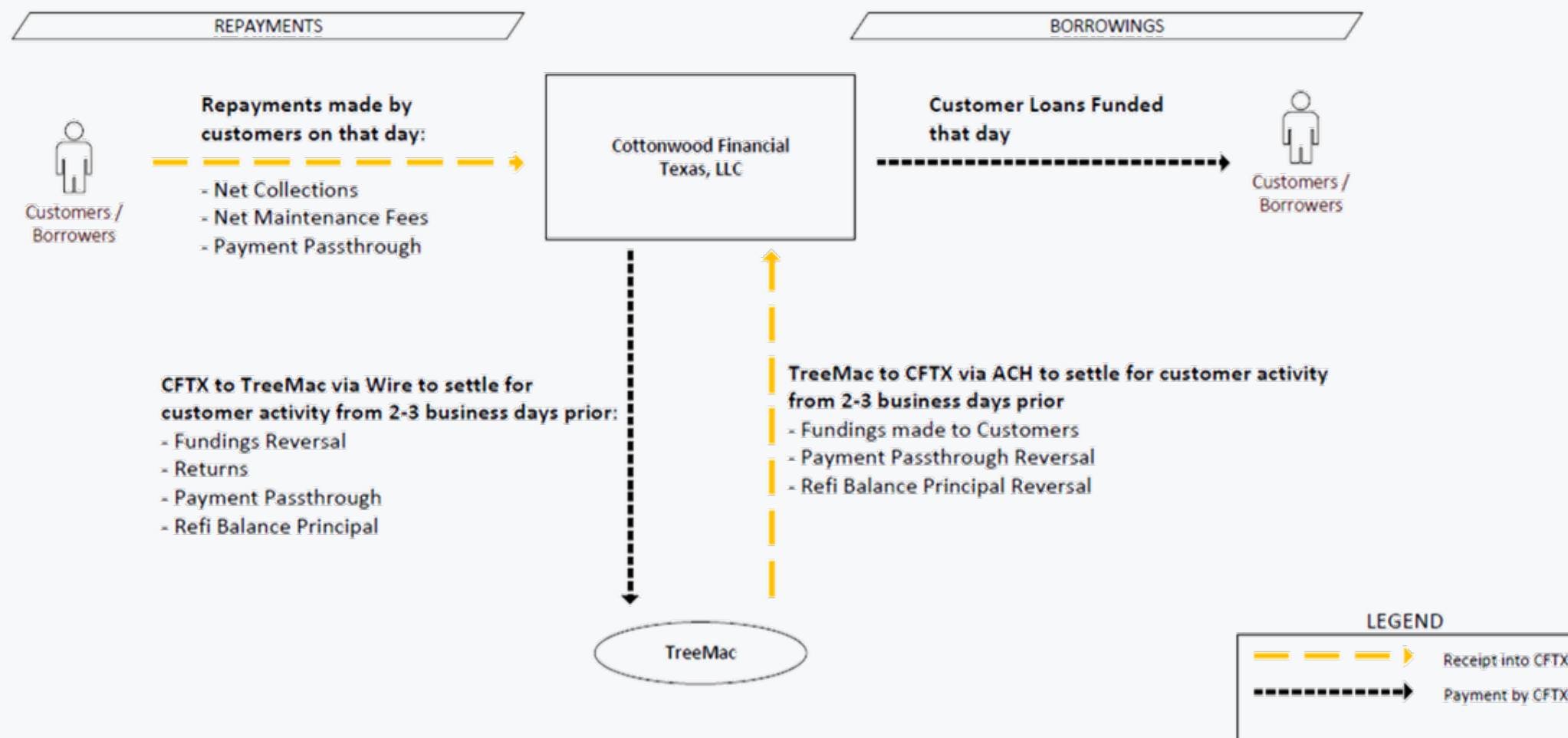
**The Cash Store:** “For a fee we will:

- process your application
- provide credit enhancement by issuing a non-bank letter of credit for your account for the benefit of a lender.
- Broker a loan for you from a lender under terms you might not otherwise qualify to receive.”

## MAKING THE LOAN



# TREEMAC SETTLEMENT PROCESS







## COMPANY DEBT

## PREPETITION CAPITAL STRUCTURE

### SECURED DEBT

- **Main Street Loan: \$26 million**
  - Third Coast Bank (5%)
  - Boston Fed (95%)

### UNSECURED DEBT

- **Bomani Business Lending: \$38 million**
  - Subordinated to Main Street Loan
- **Trade Vendors: \$4 million**



WHY ARE WE HERE?

## EVENTS LEADING TO BANKRUPTCY

- COVID-19
  - Stimulus payments
  - Child tax credit advances
  - Decrease in demand for Cottonwood's loan products
  - Decrease in customers using brick-and-mortar storefronts
  - Increase in competitors' online business
- Regulations in Texas
- Increase in bad debt due to shift in consumer behavior
- Outsized overhead despite store closures
- Default & acceleration of Main Street Loan

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## PREPETITION EFFORTS

- Closing of 44 Cash Stores across the country
- Reduction in workforce of 96 employees
- Engagement of Harney Partners
  - Karen Nicolaou, CRO
- Engagement of Oppenheimer & Co., Inc.
  - Investment banker marketing for potential asset sale



## FIRST DAY MOTIONS

Docket No.	Motion
No. 2	Joint Administration Motion
No. 3	Designation of Complex Case
No. 4	Schedules & Statements Extension Motion
No. 5	Epiq Retention Application
No. 6	Creditor Matrix Motion
No. 7	Tax Motion
No. 8	Insurance Motion
No. 9	Utilities Motion
No. 10	Customer Programs Motion
No. 11	Lease Rejection Motion
No. 12	Cash Management Motion
No. 13	Wages Motion
Nos. 48 & 49	DIP & Cash Collateral Motion



## SECOND DAY RELIEF

- TreeMac Motion to Assume
- Bidding Procedures
- Final DIP Hearing

<b>March 20, 2024, at 10:00 a.m. (prevailing Central Time)</b>	Hearing to approve Bidding Procedures
<b>March 26, 2024</b>	Deadline to serve Bid Packages
<b>April 5, 2024</b>	Deadline to file list of Potential Assumed Contracts and Cure Notice
<b>April 25, 2024, at 4:00 p.m. (prevailing Central Time)</b>	Bid Deadline to submit Qualified Bids
<b>April 26, 2024</b>	Notifications to Qualified Bidders
<b>May 1, 2024</b>	Deadline to return deposits to non-Qualified Bidders
<b>April 29, 2024, at 10:00 a.m. (prevailing Central Time)</b>	Auction (if more than one Qualified Bids is received)
<b>April 30, 2024</b>	Deadline to file Notice of Successful Bidder
<b>May 1, 2024</b>	Deadline to file Notice of Proposed Sale Order
<b>May 3, 2024</b>	Deadline to object to Sale Transaction
<b>May 3, 2024</b>	Deadline for Adequate Assurance Objection or Cure Objection
<b>May 8, 2024</b>	Deadline to file the Assumed Contract Schedule
<b>May 10, 2024, at __:__.m. (prevailing Central Time)</b>	Sale Hearing, to approve the results of the Auction

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## EVIDENTIARY SUPPORT

- **First Day Declaration**  
[Docket No. 19]
  - Karen Nicolaou, Chief Restructuring Officer
- **Declaration in support of DIP & Cash Collateral Motion**  
[Docket No. 50]
  - Karen Nicolaou, Chief Restructuring Officer
- **Epiq Declaration**  
[Docket No. 5, Ex. B]
  - Alex Warso, Epiq
- **Amended Witness and Exhibit List**  
[Docket No. 55]
  - Exhibits 1 - 12



## FIRST DAY MOTION PRESENTATIONS